
OLR Bill Analysis

sHB 6614

AN ACT CONCERNING EMPLOYERS AND HEALTH CARE.

SUMMARY:

This bill requires certain large employers to pay the Department of Social Services (DSS) commissioner a monthly fee for each of their employees who receive assistance from HUSKY A or B for themselves or their families. The fee is based on the average annual cost of in-state employer-based commercial health insurance, prorated to the number of hours the employee worked over the previous month. The bill allows the attorney general to investigate and bring a civil action in Hartford Superior Court against an employer that fails to pay the required fees. It exempts any information obtained in the investigation from the Freedom of Information Act.

EFFECTIVE DATE: October 1, 2013

COVERED EMPLOYERS

The bill's fee requirement applies to any legal entity, except the state and its political subdivisions, that (1) directly employs at least 100 employees in the state and at least 250 employees overall or (2) indirectly employs through franchisees at least 100 employees in the state and at least 250 employees overall.

Under the second category, the bill appears to cover franchise "umbrella" organizations (i.e., those that sell franchises) as opposed to the franchisee that purchases a franchise to own and operate at a particular location. As a covered employer under the bill, the umbrella organization would be required to pay the fee for any employees receiving HUSKY A or B assistance. However, state law generally considers people who work in a particular franchise location to be employees of the franchisee, and not the franchise umbrella organization. Thus, the umbrella organization would presumably only

have to pay the fee for HUSKY-assisted employees that work directly for it (e.g., employees in corporate headquarters). HUSKY-assisted employee in franchise locations (e.g., the workers behind the counter) would not trigger or count towards the bill's fee requirement unless (1) their franchisee employer directly employs at least 100 employees in the state and at least 250 employees overall or (2) the franchise location is directly owned and operated by the franchise umbrella organization, and not a franchisee.

FEES

Under the bill, the fee equals the in-state average annual cost of an employer-purchased commercial health plan for employer-based coverage, as determined by the DSS commissioner, divided by 2,080 (the total number of hours in one year of 40-hour weeks), then multiplied by the number of hours the employee worked for the employer during the previous calendar month. In effect, the fee is the average per-work-hour cost for employer-provided health insurance, prorated to the number of hours the employee worked over the previous month.

The bill requires the DSS commissioner to collect the fees within 60 days from the end of any calendar month in which they were assessed. It does not specify what the commissioner must do with the collected fees or how they are to be accounted. It also does not specify a process through which employers can contest or appeal the fees.

The bill requires the commissioner to adopt regulations on how to determine and collect the required fees. It is unclear if the commissioner can begin collecting the fees prior to adopting the regulations. It is also unclear if the fees will begin accruing when the bill takes effect, regardless of when the commissioner begins collecting them.

BACKGROUND

HUSKY A and B

HUSKY A provides Medicaid for children and their adult caretaker relatives with family income up to 185% of the federal poverty level.

HUSKY B provides health care coverage with some co-payments for children who are ineligible for HUSKY A. HUSKY B premiums range from \$0 to \$314 per child depending on family income eligibility. Families, under HUSKY and the bill, include a person's spouse and any of the person or spouse's children, including a child for whom the person or spouse is a legal guardian.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 7 Nay 4 (03/14/2013)